

**COMMUNITY CAREERS & SUPPORT SERVICES**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

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# Kimball & Roberts

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

## INDEPENDENT AUDITOR'S REPORT


Board of Directors  
Community Careers & Support Services  
166 North Main  
Richfield, Utah 84701

We have audited the accompanying statement of financial position of Community Careers & Support Services (a nonprofit organization) as of June 30, 2006, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Community Careers & Support Services' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Community Careers & Support Services at June 30, 2006, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2007, on our consideration of Community Careers & Support Services' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

January 19, 2007  
Richfield, Utah

**COMMUNITY CAREERS & SUPPORT SERVICES  
STATEMENT OF FINANCIAL POSITION**

**June 30, 2006**

**ASSETS**

**Current Assets:**

Cash	2,225
Accounts Receivable	<u>37,342</u>

Total Current Assets	<u>39,567</u>
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**Noncurrent Assets:**

**Capital Assets (Net of Depreciation):**

Building and Improvements	175,797
Vehicles	10,381
Office Furniture and Equipment	<u>2,502</u>

Total Noncurrent Assets	<u>188,680</u>
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TOTAL ASSETS	<u><u>228,247</u></u>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts Payable	237
Vacation Accrual	9,633
Other Accrued Expenses	3,014
Long Term Debt - Due Within One Year	<u>31,547</u>

Total Current Liabilities	<u>44,431</u>
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**Long-Term Liabilities:**

Mortgages Payable - Due in More Than One Year	<u>113,920</u>
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Total Liabilities	<u>158,351</u>
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**Net Assets:**

Restricted	52,683
Unrestricted	<u>17,213</u>

Total Net Assets	<u>69,896</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>228,247</u></u>
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The notes to the financial statements are an integral part of this statement.

**COMMUNITY CAREERS & SUPPORT SERVICES  
STATEMENT OF ACTIVITIES - SUMMARY**

**For The Fiscal Year Ended June 30, 2006**

	<u>Operations</u>	<u>Depreciation</u>	<u>Totals Memorandum Only</u>
<b>Support:</b>			
Contracts and Fees	395,142	-	395,142
Interest Earnings and Other	<u>20</u>	<u>-</u>	<u>20</u>
Total Support	<u>395,162</u>	<u>-</u>	<u>395,162</u>
<b>Expenses:</b>			
Program Services:			
Respite	27,849	330	28,179
Supported Employment	72,548	1,915	74,463
Job Training	15,430	141	15,571
Work Crew	7,102	103	7,205
Family Support	47,123	1,130	48,253
Supported Living	70,653	1,744	72,397
Rental	11,883	4,225	16,108
Day Training	<u>41,456</u>	<u>1,166</u>	<u>42,622</u>
Total Program Services Expenses	<u>294,044</u>	<u>10,754</u>	<u>304,798</u>
Support Services:			
General and Administrative	<u>79,067</u>	<u>-</u>	<u>79,067</u>
Total Expenses - Unrestricted	<u>373,111</u>	<u>10,754</u>	<u>383,865</u>
Changes in Net Assets - Unrestricted	<u>22,051</u>	<u>(10,754)</u>	11,297
Net Assets - Beginning of Year			<u>58,599</u>
Net Assets - End of Year			<u>69,896</u>

The notes to the financial statements are an integral part of this statement.

**COMMUNITY CAREERS & SUPPORT SERVICES  
STATEMENT OF ACTIVITIES - UNRESTRICTED DETAIL**

For The Fiscal Year Ended June 30, 2006

	Respite 1	Supported Employment 3	Job Training 5	Work Crew 6	Family Support 19	Supported Living 12	Rental 16	Day Training 18	Totals Memo Only
<b>Support and Revenues:</b>									
Support:									
Contracts and Fees	19,186	111,232	8,172	6,000	65,632	101,350	15,845	67,725	395,142
Total Support	19,186	111,232	8,172	6,000	65,632	101,350	15,845	67,725	395,142
<b>Revenues:</b>									
Interest Earnings and Other	-	-	-	-	-	12	8	-	20
Total Revenues	-	-	-	-	-	12	8	-	20
Total Support and Revenues	19,186	111,232	8,172	6,000	65,632	101,362	15,853	67,725	395,162
<b>Expenses:</b>									
<b>01 Salaries and Wages</b>									
Administrative Salaries	14,952	16,095	15,302	-	14,741	14,952	-	15,143	91,185
Program Coordinators/House Managers/Production/Front Line Supervisors	2,633	29,424	933	2,592	9,594	14,519	-	6,952	66,647
Instructors/Direct Care/Specialist/ Living Skills	9,040	14,888	363	5,709	14,088	27,212	-	12,969	12,969
Job Coach/Drivers	26,625	60,407	16,598	8,301	38,423	56,683	-	35,064	242,101
Total Salaries and Wages	3,705	6,850	1,360	670	3,165	5,028	-	2,790	23,568
<b>02 Fringe Benefits</b>	917	5,120	342	-	3,147	5,538	-	3,775	18,839
Payroll Taxes/WC/Unemployment Health Insurance/Dental/Life/Disability	4,622	11,970	1,702	670	6,312	10,566	-	6,565	42,407
Total Fringe Benefits	348	1,567	64	-	1,341	1,708	-	957	5,985
<b>03 Professional Fees</b>									
Accounting/Audit/Legal Fees	348	1,567	64	-	1,341	1,708	-	957	5,985
Total Professional Fees	363	1,467	99	-	1,281	1,737	1,413	957	7,317
<b>04 Supplies</b>									
Office Supplies	363	1,467	99	-	1,281	1,737	1,413	957	7,317
Total Supplies	363	1,467	99	-	1,281	1,737	1,413	957	7,317

**COMMUNITY CAREERS & SUPPORT SERVICES  
STATEMENT OF ACTIVITIES - UNRESTRICTED DETAIL (CONTINUED)**

For The Fiscal Year Ended June 30, 2006

	Respite 1	Supported Employment 3	Job Training 5	Work Crew 6	Family Support 19	Supported Living 12	Rental 16	Day Training 18	Totals Memo Only
<b>05 Occupancy</b>									
Utilities	626	4,281	230	53	2,173	4,075	11,241	1,966	24,645
Facility Repairs/Maintenance/Insurance	1,315	5,841	408	-	5,209	7,259	7,546	3,790	31,368
Total Occupancy	1,941	10,122	638	53	7,382	11,334	18,787	5,756	56,013
<b>06 Equipment/Furniture</b>									
Depreciation/Rentals/Repair and Maintenance	167	1,228	73	50	571	1,075	86	584	3,834
Total Equipment/Furniture	167	1,228	73	50	571	1,075	86	584	3,834
<b>07 Travel/Transportation</b>									
Vehicle Lease/Depreciation/Repairs/Maintenance/Gas/Insurance	819	3,267	244	-	2,988	4,391	-	1,674	13,383
Total Travel/Transportation	819	3,267	244	-	2,988	4,391	-	1,674	13,383
<b>08 Conference and Training</b>									
Conference Fees/Travel/Lodging/Meals/Per Diem/Education/Training	52	319	14	-	118	326	-	242	1,071
Total Conference and Training	52	319	14	-	118	326	-	242	1,071
<b>09 Communications</b>									
Telephone/Beeepers/Mobile Postage/Advertising	525	2,610	174	-	2,239	2,991	-	1,678	10,217
Total Communications	552	2,844	178	-	2,354	3,144	-	1,830	10,902
<b>10 Miscellaneous</b>									
Printing Expense	-	588	-	-	-	214	-	50	852
Total Miscellaneous	-	588	-	-	-	214	-	50	852
Total Expenses	35,489	93,779	19,610	9,074	60,770	91,178	20,286	53,679	383,865
Changes in Net Assets - Unrestricted	(16,303)	17,453	(11,438)	(3,074)	4,862	10,184	(4,433)	14,046	11,297

The notes to the financial statements are an integral part of this statement.

**COMMUNITY CAREERS & SUPPORT SERVICES  
STATEMENT OF FUNCTIONAL EXPENSES**

**For The Fiscal Year Ended June 30, 2006**

<b>Expenses:</b>	<b>Respite 1</b>	<b>Supported Employment 3</b>	<b>Job Training 5</b>	<b>Work Crew 6</b>	<b>Family Support 9</b>	<b>Supported Living 12</b>	<b>Rental 16</b>	<b>Day Training 18</b>	<b>Operating Operating Totals</b>	<b>General and Admin.</b>	<b>Totals Memo Only</b>
<b>01 Salaries and Wages</b>											
Administrative Salaries	14,952	16,095	15,302	-	14,741	14,952	-	15,143	43,185	48,000	
Program Coordinators/House Managers/Production/Front Line/ Supervisors	2,633	29,424	933	2,592	9,594	14,519	-	6,952	66,647	-	
Instructors/Direct Care/Specialist/ Living Skills	9,040	14,888	363	5,709	14,088	27,212	-	12,969	12,969	-	
Job Coach/Drivers								-	71,300	-	
<b>Total Salaries and Wages</b>	<b>26,625</b>	<b>60,407</b>	<b>16,598</b>	<b>8,301</b>	<b>38,423</b>	<b>56,683</b>	<b>-</b>	<b>35,064</b>	<b>194,101</b>	<b>48,000</b>	<b>242,101</b>
<b>02 Fringe Benefits</b>											
Payroll Taxes/WC/Unemployment	3,705	6,850	1,360	670	3,165	5,028	-	2,790	18,895	4,673	
Health Ins./Dental/Life/Disability	917	5,120	342	-	3,147	5,538	-	3,775	15,104	3,735	
<b>Total Fringe Benefits</b>	<b>4,622</b>	<b>11,970</b>	<b>1,702</b>	<b>670</b>	<b>6,312</b>	<b>10,566</b>	<b>-</b>	<b>6,565</b>	<b>33,999</b>	<b>8,408</b>	<b>42,407</b>
<b>03 Professional Fees</b>											
Accounting/Audit/Legal Fees	348	1,567	64	-	1,341	1,708	-	957	-	5,985	
<b>Total Professional Fees</b>	<b>348</b>	<b>1,567</b>	<b>64</b>	<b>-</b>	<b>1,341</b>	<b>1,708</b>	<b>-</b>	<b>957</b>	<b>-</b>	<b>5,985</b>	<b>5,985</b>
<b>04 Supplies</b>											
Office Supplies	363	1,467	99	-	1,281	1,737	1,413	957	7,317	-	
<b>Total Supplies</b>	<b>363</b>	<b>1,467</b>	<b>99</b>	<b>-</b>	<b>1,281</b>	<b>1,737</b>	<b>1,413</b>	<b>957</b>	<b>7,317</b>	<b>-</b>	<b>7,317</b>
<b>05 Occupancy</b>											
Program Rent/Depreciation/ Interest/Utilities	626	4,281	230	53	2,173	4,075	11,241	1,966	19,759	4,886	
Facility Repairs/Maintenance/ Insurance	1,315	5,841	408	-	5,209	7,259	7,546	3,790	25,149	6,219	
<b>Total Occupancy</b>	<b>1,941</b>	<b>10,122</b>	<b>638</b>	<b>53</b>	<b>7,382</b>	<b>11,334</b>	<b>18,787</b>	<b>5,756</b>	<b>44,908</b>	<b>11,105</b>	<b>56,013</b>



**COMMUNITY CAREERS & SUPPORT SERVICES  
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**

For The Fiscal Year Ended June 30, 2006

	Respite 1	Supported Employment 3	Job Training 5	Work Crew 6	Family Support 9	Supported Living 12	Rental 16	Mental Health 30	Operating Totals	General and Admin.	Totals Memo Only
<b>06 Equipment/Furniture</b>											
Depreciation/Rentals/Repair and Maintenance	167	1,228	73	50	571	1,075	86	584	3,074	760	
<b>Total Equipment/Furniture</b>	167	1,228	73	50	571	1,075	86	584	3,074	760	3,834
<b>07 Travel/Transportation</b>											
Vehicle Lease/Depreciation/ Repairs/Maintenance/Gas/ Insurance	819	3,267	244	-	2,988	4,391	-	1,674	11,451	1,932	
<b>Total Travel/Transportation</b>	819	3,267	244	-	2,988	4,391	-	1,674	11,451	1,932	13,383
<b>08 Conference and Training</b>											
Conference Fees/Travel/Lodging/ Meals/Per Diem/Education/ Training	52	319	14	-	118	326	-	242	1,071	-	
<b>Total Conference and Training</b>	52	319	14	-	118	326	-	242	1,071	-	1,071
<b>09 Communications</b>											
Telephone/Beepers/Mobile Postage/Advertising	525 27	2,610 234	174 4	- -	2,239 115	2,991 153	- -	1,678 152	8,192 685	2,025 -	
<b>Total Communications</b>	552	2,844	178	-	2,354	3,144	-	1,830	8,877	2,025	10,902
<b>10 Miscellaneous</b>											
Printing Expense	-	588	-	-	-	214	-	50	-	852	
<b>Total Miscellaneous</b>	-	588	-	-	-	214	-	50	-	852	852
<b>Total Expenses</b>	35,489	93,779	19,610	9,074	60,770	91,178	20,286	53,679	304,798	79,067	383,865

The notes to the financial statements are an integral part of this statement.

**COMMUNITY CAREERS & SUPPORT SERVICES  
STATEMENT OF CASH FLOWS**

**For The Fiscal Year Ended June 30, 2006**

**Cash Flows From Operating Activities:**

Change in Net Assets	11,297
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities:	
Depreciation	10,754
Increase (Decrease) in Operating Assets:	
Accounts Receivable	(2,207)
Accounts Payable and Accrued Expenses	<u>(25,191)</u>
Net Cash Provided By Operating Activities	<u>(5,347)</u>

**Cash Flows From Investing Activities:**

Purchase of Fixed Assets	<u>(8,460)</u>
Net Cash Used in Investing Activities	<u>(8,460)</u>

**Cash Flows From Financing Activities:**

Principal Payments on Long-Term Debt	<u>5,485</u>
Net Cash Used For Financing Activities	<u>5,485</u>
Increase (Decrease) in Cash and Cash Equivalents	(8,322)
Cash and Cash Equivalents - Beginning of Period	<u>10,547</u>
Cash and Cash Equivalents - End of Period	<u><u>2,225</u></u>

The notes to the financial statements are an integral part of this statement.

**COMMUNITY CAREERS & SUPPORT SERVICES**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2006

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities:**

Community Careers, Inc. was organized under the laws of the State of Utah as a non-profit organization in 1988. Community Careers, Inc. (DBA: Community Careers & Support Services) receives the majority of its revenues from state government agencies through "fee for service" contracts. Generally, State agencies refer qualifying individuals needing services to Community Careers & Support Services and authorize a fixed number of units (hours) of service. Community Careers & Support Services provides rehabilitation, supported employment, job based training services, supported living and family support services for qualifying individuals. The Company also employs disabled persons to perform janitorial and maintenance work for local businesses.

**Basis of Accounting:**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

**Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Support and Revenue**

Community Careers & Support Services receives its grant and contract support primarily from the Utah Department of Human Services. Revenue recognition is based on the accrual basis of accounting (see Note 6 regarding support concentration issue).

**Fixed Assets:**

Fixed assets are capitalized at cost. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Buildings and Improvements	20 Years
Office Equipment and Computers	5 Years
Vehicles	5 Years

There are no lease purchases but community Careers, Inc. has entered into lease agreements for office space. The Delta, Utah office space lease is a 5 year lease with payments of \$350 per month.

**COMMUNITY CAREERS AND SUPPORT SERVICES**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Allocation of Expenses:**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited, either directly applied, or on a pro-rata basis determined by management.

**Income Tax:**

Community Careers & Support Services is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. There was no unrelated business income for the twelve (12) months ended June 30, 2006.

**Cash and Cash Equivalents:**

For purposes of the statements of cash flows, the Center considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

Cash represents cash deposited in a checking account with Wells Fargo Bank, located in Richfield, Utah. This account has a carrying amount as of June 30, 2006 of \$925 with a bank balance of \$17,676. An additional account (WE CARE) is maintained at Zions Bank, located in Richfield, Utah. This account has a carrying balance as of June 30, 2006 of \$1,300 with a bank balance of \$1,047. The combined carrying amount is \$2,225. Both of these accounts are FDIC guaranteed.

Cash and cash equivalents as of June 30, 2006 consist of the following:

	<u>Fair Value</u>
Checking Accounts	<u><u>2,225</u></u>

Cash and cash equivalents listed above are classified in the accompanying statement of net assets as follows:

Business-Type Activities - Unrestricted	<u><u>2,225</u></u>
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**COMMUNITY CAREERS AND SUPPORT SERVICES**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)**

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that Town funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

Deposits and investments for local government are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Management Council ("the Council"). Following are discussions of the local government's exposure to various risks related to its cash management activities.

**Custodial Credit Risk:**

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of June 30, 2006, \$0 of the local government's bank balances of \$18,723 were uninsured and uncollateralized.

**Credit Risk:**

Credit risk is the risk that the counterparty of an investment will not fulfill its obligations. The local government's policy limiting the credit risk of investments is to comply with the Act.

**Interest Rate Risk:**

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**Concentration of Credit Risk:**

Concentration of credit risk the risk of loss attributed to the magnitude of a government's investments in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

**COMMUNITY CAREERS AND SUPPORT SERVICES**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 3 - ACCOUNTS RECEIVABLE - GRANTS AND CONTRACTS**

Accounts receivable as of June 30, 2006 was composed of:

Utah Department of Human Services	33,203
Utah Department of Human Services (REHAB)	436
Central Utah Mental Health - MH	355
Reel Theatre	2,500
Crew and Care Center	550
Refund (Workforce Services) and Miscellaneous	298
	<hr/>
Total	<u><u>37,342</u></u>

**NOTE 4 - FIXED ASSETS**

The following table summarized the changes in fixed assets during the year ended June 30, 2006:

	Balance June 30, 2005	Additions	Deletions	Balance June 30, 2006
Buildings and Improvements	229,048	-	-	229,048
Vehicles	71,349	8,460	13,981	65,828
Office Furniture and Equipment	<u>49,178</u>	<u>-</u>	<u>-</u>	<u>49,178</u>
	349,575	8,460	13,981	344,054
Less Accumulated Depr.	<u>(158,601)</u>	<u>(10,754)</u>	<u>(13,981)</u>	<u>(155,374)</u>
Net Fixed Assets	<u><u>190,974</u></u>	<u><u>(2,294)</u></u>	<u><u>-</u></u>	<u><u>188,680</u></u>

**COMMUNITY CAREERS AND SUPPORT SERVICES**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 5 - LONG-TERM DEBT**

The following is a statement of changes in long-term debt:

	Balance June 30, 2005	Issued	Matured	Balance June 30, 2006
State of Utah (1.0% Interest)	19,595	-	1,093	18,502
Ford Motor (9.9% Interest)	4,982	-	2,258	2,724
Wells Fargo (6.8% Interest)	107,892	-	5,596	102,296
Wells Fargo (10.7% Interest)	7,513	-	572	6,941
Wells Fargo (14.75% Interest)	-	19,745	4,741	15,004
Total	<u>139,982</u>	<u>19,745</u>	<u>14,260</u>	<u>145,467</u>

**Mortgage - State of Utah**

The following is a summary of debt service charges to maturity:

	Principal	Interest	Total
2006/2007	779	185	964
2007/2008	787	177	964
2008/2009	795	169	964
2009/2010	803	161	964
2010/2011	811	153	964
2012/2016	4,179	641	4,820
2017/2021	4,394	427	4,821
2022/2026	4,619	201	4,820
2027/2031	1,335	15	1,350
	<u>18,502</u>	<u>2,129</u>	<u>20,631</u>

**Ford Motor**

The following is a summary of debt service charges to maturity:

	Principal	Interest	Total
2006/2007	2,724	210	2,934
	<u>2,724</u>	<u>210</u>	<u>2,934</u>

**COMMUNITY CAREERS AND SUPPORT SERVICES**  
**NOTES TO FINANCIAL STATEMENTS**  
Continued

**NOTE 5 - LONG-TERM DEBT CONTINUED)**

**Wells Fargo - Building**

The following is a summary of debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006/2007	6,099	6,761	12,860
2007/2008	6,527	6,333	12,860
2008/2009	6,985	5,875	12,860
2009/2010	7,475	5,385	12,860
2010/2011	8,000	4,861	12,861
2012/2016	49,197	15,055	64,252
2017/2021	<u>18,013</u>	<u>950</u>	<u>18,963</u>
	<u>102,296</u>	<u>45,220</u>	<u>147,516</u>

**Wells Fargo - Line of Credit**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006/2007	<u>6,941</u>	<u>958</u>	<u>7,899</u>

**Wells Fargo - Line of Credit**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006/2007	<u>15,004</u>	<u>2,213</u>	<u>17,217</u>

The following is a summary of total debt service charges to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006/2007	31,547	10,327	41,874
2007/2008	7,314	6,510	13,824
2008/2009	7,780	6,044	13,824
2009/2010	8,278	5,546	13,824
2010/2011	8,811	5,014	13,825
2012/2016	53,376	15,696	69,072
2017/2021	22,407	1,377	23,784
2022/2026	4,619	201	4,820
2027/2031	<u>1,335</u>	<u>15</u>	<u>1,350</u>
	<u>145,467</u>	<u>50,730</u>	<u>196,197</u>



**COMMUNITY CAREERS AND SUPPORT SERVICES**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 6 - CONCENTRATIONS**

Nearly all of the organizations support is provided through contracts obtained with the Utah Department of Human Services. Loss of this support would have a materially adverse effect on the organization's ability to continue operations.

**NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS**

Funds have been reserved by Management and the Board of Directors for future vehicle replacement needs, and for debt retirement.

**NOTE 8 - SUMMARY OF CONTRACT PROVISIONS**

Some major points of the contract between Community Careers & Support Services and Utah Department of Human Services are outlined below:

**Purpose and Scope of Contract:**

The Contractor (Community Careers & Support Services) will provide services for individuals with disabilities who meet the eligibility criteria for the Division of Services for People with Disabilities.

This Contract for Community Supported Living Employment Chore and Homemaker, Companion Services, and Structured Day Program services, serves the purpose of supporting individuals, based on individual need, to obtain, maintain, or advance in competitive employment in integrated work settings. Further, its purpose is to assist the disabled in becoming and living a more independent life.

Services and supports are consumer driven and are based upon principles that promote full inclusion, integration, empowerment, and fulfillment of individual potential.

**Contract Period:**

The contract for the audit period of the year ended June 30, 2006 is effective as of July 1, 2005 and terminates on June 30, 2006, unless terminated sooner in accordance with the terms and conditions of the contract. Contracts in excess of one year may be reviewed annually.

**Type of Contract:**

This contract is "Unit of Service" (Rate-Based) Contract. Payment to the Contractor is based on individual units of service provided by the Contractor, payable at the allowable rate established by the Utah Department of Human Services. The contract is an open-end contract and has no dollar amounts attached.

Utah Department of Human services gives the Contractor no express or implied guarantee or representation that it will place any clients or maintain any client placements with the Contractor.

**COMMUNITY CAREERS AND SUPPORT SERVICES**  
**NOTES TO FINANCIAL STATEMENTS**  
**Continued**

**NOTE 9 - PENSION PLAN**

Community Careers & Support Services participates in a SEP plan established through Capital Guardian. Contributions are based upon participating employees' annual salaries at rates between 3% and 7%, determined by Community Careers & Support Services, not to exceed \$2,000 per employee per year. This plan covers all full-time employees and is paid entirely by Community Careers & Support Services. Payments to this plan totaled \$5,284 during the fiscal year ending June 30, 2006.

Community Careers & Support Services is legally obligated to contribute to the retirement systems as long as it has employees meeting service requirements. The full-time employee becomes eligible to participate in the plan after the completion of three years of service.

# *Kimball & Roberts*

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Community Careers & Support Services  
166 North Main  
Richfield, Utah 84701

We have audited the financial statements of Community Careers & Support Services (a nonprofit organization) as and for the year ended June 30, 2006, and have issued our report thereon dated January 19, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Community Careers & Support Services' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Careers & Support Services' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board of Directors  
Community Careers & Support Services  
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This report is intended for the information and use of Board of Directors, management, others within the organization and the State of Utah and is not intended to be and should not be used by anyone other than these specified parties.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

January 19, 2007  
Richfield, Utah

# *Kimball & Roberts*

*Certified Public Accountants*

*A Professional Corporation*

*Box 663*

*Richfield, Utah 84701*

*Phone 896-6488*

## AUDITOR'S REPORT ON STATE LEGAL COMPLIANCE

Board of Directors  
Community Careers & Support Services  
166 North Main  
Richfield, Utah 84701

We have audited the basic financial statements of Community Careers & Support Services, for the fiscal year ended June 30, 2006, and have issued our report thereon dated January 19, 2007. As part of our audit, we have audited Community Careers & Support Services' compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah's Legal Compliance Audit Guide for the fiscal year ended June 30, 2006. Community Careers & Support Services received the following major State assistance programs from the State of Utah:

### **Contract for Services (Department of Human Services)**

Our audit also included testwork on the Center's compliance with those general compliance requirements identified in the State of Utah Compliance Audit Guide, including:

- Public Debt
- Cash Management
- Purchasing Requirements
- Budgetary Compliance
- Property Tax
- Other Compliance Requirements

The management of Community Careers & Support Services is responsible for the Association's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Community Careers & Support Services' compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

Board of Directors  
Community Careers & Support Services  
Page -2-

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, Community Careers & Support Services, complied, in all material respects, with the general compliance requirements identified above for the fiscal year ended June 30, 2006.

  
KIMBALL & ROBERTS, P. C.  
Certified Public Accountants

January 19, 2007  
Richfield, Utah